Exhibit 45

* 2 2 6 6 7 2 0 1 7 2 0 1 0 0 1 0 0 *

ANNUAL STATEMENT

For the Year Ended December 31, 2017

of the Condition and Affairs of the

ACE AMERICAN INSURANCE COMPANY

NAIC Group Code.....626, 626 (Current Period) (Prior Period)	NAIC Company Code..... 22667	Employer's ID Number..... 95-2371728
Organized under the Laws of PA	State of Domicile or Port of Entry PA	Country of Domicile US
Incorporated/Organized..... November 1, 1945	Commenced Business..... January 1, 1946	
Statutory Home Office	436 Walnut Street..... Philadelphia ..... PA ..... US ..... 19106 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	436 Walnut Street..... Philadelphia ..... PA ..... US..... 19106 *(Street and Number) (City or Town, State, Country and Zip Code)*	215-640-1000 *(Area Code) (Telephone Number)*
Mail Address	436 Walnut Street P.O. Box 1000..... Philadelphia ..... PA ..... US ..... 19106 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	436 Walnut Street..... Philadelphia ..... PA ..... US ..... 19106 *(Street and Number) (City or Town, State, Country and Zip Code)*	215-640-1000 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.chubb.com	
Statutory Statement Contact	John Paul Taylor *(Name)*	215-640-5259 *(Area Code) (Telephone Number) (Extension)*
	john.taylor4@chubb.com *(E-Mail Address)*	215-640-5525 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. JOHN JOSEPH LUPICA	CHAIRMAN OF THE BOARD - PRESIDENT	2. REBECCA LYNN COLLINS	SECRETARY
3. DREW KIEHN SPITZER	TREASURER	4.	

OTHER

JOHN JOSEPH ALFIERI	Executive Vice President	WALTER BRIAN BARNES #	Executive Vice President
ROSS ROBERT BERTOSSI	Executive Vice President	JOHN MICHAEL BUCKLEY #	Chief Financial Officer
CAROLINE JAMES CLOUSER	Executive Vice President	MICHAEL JOSEPH COLEMAN	Executive Vice President
CATHERINE ANN FABBITTI	Executive Vice President	BRUCE LLOYD KESSLER	Executive Vice President
PAUL JOSEPH KRUMP	Executive Vice President	DAVID JAMES LUPICA	Executive Vice President
CHRISTOPHER ANTHONY MALENO	Executive Vice President	PATRICK MARKOWSKI #	Executive Vice President
MATTHEW GEORGE MERNA	Executive Vice President	FRANCES DUGAN O'BRIEN	Executive Vice President
DOUGLAS POETZSCH	Executive Vice President	KEVIN MICHAEL RAMPE	Executive Vice President
DEBORAH ANN GISS STALKER	Executive Vice President	JOHN PAUL TAYLOR	Senior Vice President
EDWARD DOMINIC ZACCARIA	Executive Vice President		

DIRECTORS OR TRUSTEES

WALTER BRIAN BARNES #	CAROLINE JAMES CLOUSER	PAUL JOSEPH KRUMP	JOHN JOSEPH LUPICA
PATRICK MARKOWSKI #	FRANCES DUGAN O'BRIEN	DOUGLAS POETZSCH	KEVIN MICHAEL RAMPE
DREW KIEHN SPITZER	EDWARD DOMINIC ZACCARIA		

State of........ PENNSYLVANIA
County of..... PHILADELPHIA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
JOHN JOSEPH LUPICA	REBECCA LYNN COLLINS	DREW KIEHN SPITZER
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
CHAIRMAN OF THE BOARD - PRESIDENT	SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ____________ 2018

a. Is this an original filing? Yes [X] No [ ]
b. If no
1. State the amendment number ________
2. Date filed ________
3. Number of pages attached ________

Annual Statement for the Year 2017 of the ACE American Insurance Company

Notes to Financial Statements

1. *Summary of Significant Accounting Policies and Going Concern*

A. *Accounting Practices*

The financial statements of ACE American Insurance Company ("ACE American" or the "Company") are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department (the "Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania (the "Commonwealth") for use in determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Pennsylvania Insurance Laws. The National Association of Insurance Commissioner's ("NAIC") Accounting Practices and Procedures manual ("NAIC SSAP") has been adopted as a component of prescribed or permitted practices by the Commonwealth; except when noted, these financial statements have been completed in accordance with NAIC SSAP. All amounts shown are whole dollars, unless otherwise indicated.

The Commonwealth has adopted prescribed accounting practices which differ from those found under NAIC SSAP. Specifically, the Commonwealth regulations prescribe that non-tabular workers' compensation reserves can be discounted. Under NAIC SSAP, with the exception of fixed and reasonably determinable payments, such as Workers' Compensation tabular reserves, property and casualty reserves may not be discounted. In addition, the Commissioner of Insurance for the Commonwealth has the right to permit other specific practices that deviate from prescribed practices and NAIC SSAP. The discontinuance of the use of the practice prescribed by the Department would not trigger a risk based capital regulatory event for the Company.

Below is a reconciliation of the Company's income statement and statutory surplus between practices prescribed by the Commonwealth and NAIC SSAP:

($000's)	SSAP #	F/S Page	F/S Line #		2017		2016
NET INCOME							
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$	401,018	$	180,923
(2) State Prescribed Practices that increase / (decrease) NAIC SAP:							
Non-tab discounting of Workers' Compensation reserves	65	4	2		14,433		7,176
(3) State Permitted Practices that increase/(decrease) NAIC SAP					-		-
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$	386,585	$	173,747
SURPLUS							
(5) State basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	$	2,531,806	$	2,812,366
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:							
Non-tabular discounting of Workers' Compensation reserves	65	3	1		284,428		269,995
Subsidiary's non-tabular discounting of Workers' Compensation reserves	65	2	2.2		136,833		129,889
(7) State Permitted Practices that increase/(decrease) NAIC SAP					-		-
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	$	2,110,546	$	2,412,482

B. *Use of Estimates in the Preparation of the Financial Statements*

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. *Accounting Policy*

Short term investments and cash equivalents (NAIC designations 1 & 2) are stated at cost or amortized cost. Short term investments and cash equivalents (NAIC designations 3 to 6) are carried at lower of cost or fair value.

Bonds (NAIC designations 1 & 2) are stated at amortized cost using the effective interest method. Bonds (NAIC designations 3 to 6) are carried at the lower of amortized cost or fair value.

Unaffiliated common stocks are stated at fair value except investments in stocks of non-insurance subsidiaries and affiliates are carried on the equity basis in accordance with NAIC SSAP 97, *Investments in Subsidiary Controlled and Affiliated Entities, A Replacement of SSAP No. 88* ("SSAP 97"). Investments in insurance subsidiaries and affiliates are valued based on the underlying statutory surplus of the respective entity's financial statements.

High quality redeemable preferred stocks (NAIC designations 1 & 2), which have characteristics of debt securities, are valued at cost or amortized cost. All others (NAIC designations 3 to 6) are reported at the lower of cost or fair value.

High quality perpetual preferred stocks (NAIC designations 1 & 2), which have characteristics of equity securities, are valued using unit prices as reported in the *NAIC Valuations of Securities* manual. All other perpetual preferred stocks (NAIC designations 3 to 6) are reported at the lower of cost or fair value.

The Company has no mortgage loans on real estate.

Loan backed and structured securities are stated at amortized cost or the lower of amortized cost or fair market value in accordance with NAIC SSAP 43R, *Loan-backed and Structured Securities* ("SSAP 43R"). Additionally the retrospective adjustment method is used to aid in the valuation of these securities.

Investments in joint ventures and partnerships are valued based on the underlying audited GAAP equity of the investee.

All derivative investments are stated at fair value.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with NAIC SSAP 53, *Property and Casualty Contracts-Premiums*. (See Note 30)

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

The Company has not modified its capitalization policy from prior period.

The Company has no pharmaceutical rebates receivable.

Securities sold under reverse repurchase agreements are accounted for as collateralized investments and borrowings and are recorded at the contractual repurchase amounts plus accrued interest. Assets to be repurchased are the same, or substantially the same, as the assets transferred and the transferor, through right of substitution, maintains the right and ability to redeem the collateral on short notice. The carry value of the underlying securities is included in fixed maturities and equity securities. The use of cash received is not restricted. The Company reports its obligation to return the cash as short term debt.

D. *Going Concern*

Management does not have any substantial doubt about the Company's ability to continue as a going concern.

2. *Accounting Changes and Correction of Errors*

In accordance with NAIC SSAP 3, *Accounting Changes and Corrections of Errors* ("SSAP 3"), the following item is being reported as a direct adjustment to surplus as of December 31, 2017:

As part of its continuing account reconciliation process, the Company recorded a direct charge to surplus of $10,144,843, net of tax benefit of $3,550,695, for a net charge of $6,594,148.

During 2016, the Company reported no direct adjustments to surplus under NAIC SSAP 3.

3. *Business Combinations and Goodwill*

Not Applicable

4. *Discontinued Operations*

Not Applicable

5. *Investments*

A. *Mortgage Loans, including Mezzanine Real Estate Loans*

Not Applicable

B. *Debt Restructuring*

Not Applicable

C. *Reverse Mortgages*

Not Applicable

D. *Loan-Backed Securities*

1. Prepayment assumptions for single class and multi class mortgage-backed and asset-backed securities were obtained from Bloomberg.

2. Other Than Temporary Impairments ("OTTI")

		1 Amortized cost Basis Before OTTI	2 OTTI Recognized in Loss	3 Fair Value 1-2
	OTTI recognized 1st Quarter			
a.	Intent to Sell	$ -	$ -	$ -
b.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.	7,159,292	12,851	7,146,441
c.	Total 1st Quarter	$ 7,159,292	12,851	$7,146,441
d-f.	OTTI recognized 2nd Quarter	-	-	-
g-i.	OTTI recognized 3rd Quarter	-	-	-
j-l.	OTTI recognized 4th Quarter	-	-	-
m.	Annual Aggregate Total		$ 12,851	

3.

CUSIP	BV before Current OTTI	PV of Projected Cash Flows	OTTI	Amortized Cost After OTTI	Fair Value at time of OTTI	Date of Statement Reported
3138EKAT2	$7,159,292	102.89559	$12,851	$7,146,441	$7,146,441	03/31/17
Total	$7,159,292		$12,851	$7,146,441	$7,146,441	

3. *Mortgage-backed securities*

For mortgage-backed securities, credit impairment is assessed using a cash flow model that estimates the cash flows on the underlying mortgages, using the security-specific collateral and transaction structure. The model estimates cash flows from the underlying mortgage loans and distributes those cash flows to various tranches of securities, considering the transaction structure and any subordination and credit enhancements that exist in that structure. The cash flow model incorporates actual cash flows on the mortgage-backed securities through the current period and then projects the remaining cash flows using a number of assumptions, including default rates, prepayment rates, and loss severity rates (the par value of a defaulted security that will not be recovered) on foreclosed properties.

The Company develops specific assumptions using market data, where available, and includes internal estimates as well as estimates published by rating agencies and other third-party sources. The Company projects default rates by mortgage sector considering current underlying mortgage loan performance, generally assuming lower loss severity for Prime sector bonds versus ALT-A, and Sub-prime bonds;
These estimates are extrapolated along a default timing curve to estimate the total lifetime pool default rate. Other assumptions used contemplate the actual collateral attributes, including geographic concentrations, rating agency loss projections, rating actions, and current market prices. If cash flow projections indicate that losses will exceed the credit enhancement for a given tranche, then the Company does not expect to recover its amortized cost basis and recognizes an estimated credit loss in net income.

4. All impaired securities for which OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses.

Less than 12 months:	$	(3,173,466)
Greater than 12 months:	$	(4,695,558)

b. The aggregated related fair value of securities with unrealized losses.

Less than 12 months:	$	600,830,300
Greater than 12 months:	$	187,599,533

5. Not Applicable

E. *Dollar Repurchase Agreements and/or Securities Lending Transactions*

1. Not Applicable

2. Not Applicable

3. *Collateral Received*

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
(a) Open	$ -
(b) 30 days or less	101,040,607
(c) – (g)	-
(h) Total Collateral Received	$101,040,607

b. Not Applicable

c. Not applicable; see Schedule DL.

4. Not Applicable

5. Collateral Reinvested

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	$ -	$ -
(a) 30 days or less	101,040,607	101,040,607
(c) - (l)	-	-
(m)Total Collateral Received	$ 101,040,607	$ 101,040,607
2. Dollar-Repurchase Agreement		
(a) – (l)	$ -	$ -
(m)Total Collateral Received	$ -	$ -

b. Not Applicable

6. Not Applicable

7. Not Applicable

F. *Repurchase Agreements Transactions Accounted for as Secured Borrowings*

Not Applicable

G. *Reverse Repurchase Agreements Transactions Accounted for as a Secured Borrowing*

Not Applicable

H. *Repurchase Agreements Transactions Accounted for as a Sale*

Not Applicable

I. *Reverse Repurchase Agreements Transactions Accounted for as a Sale*

Not Applicable

J. *Real Estate*

Not Applicable

K. *Low Income Housing Tax Credits (LIHTC)*

Not Applicable

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Notes to Financial Statements

L. *Restricted Assets*

1. Restricted Assets (Including Pledged)

	Gross Restricted							8	9	Percentage	
	Current Year					6	7			10	11
	1	2	3	4	5						
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total (c.)	Admitted Restricted to Total Admitted Assets (d)
a. Not Applicable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-
b. Collateral held under security lending agreements	101,040,607	-	-	-	101,040,607	3,925,128	97,115,479	-	101,040,607	0.69%	0.74%
c. Subject to repurchase agreements	373,378,267	-	-	-	373,378,267	387,932,317	(14,554,050)	-	373,378,267	2.53%	2.74%
d. - i. Not Applicable	-	-	-	-	-	-	-	-	-	-	-
j. On deposit with states	662,510,587	-	-	-	662,510,587	639,035,698	23,474,889	-	662,510,587	4.50%	4.87%
k. Not Applicable	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral not captured in other categories	691,087,107	-	-	-	691,087,107	551,672,299	139,414,808	-	691,087,107	4.69%	5.08%
m.-n. Not Applicable	-	-	-	-	-	-	-	-	-	-	-
o. Total Restricted Assets	$ 1,828,016,567	$ -	$ -	$ -	$ 1,828,016,567	$ 1,582,565,442	$ 245,451,125	$ -	$ 1,828,016,567	12.41%	13.44%

(a) Subset of column 1
(b) Subset of column 3
(c) Column 5 divided by Asset Page, Column 1, line 28
(d) Column 9 divided by Asset Page, Column 3, line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories

	Gross Restricted							9	Percentage	
	Current Year					6	7		10	11
	1	2	3	4	5					
Other Restricted Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total (c.)	Admitted Restricted to Total Admitted Assets (d)
Trust account for the benefit of California State Association of Counties Excess Insurance Company	$21,010,380	$ -	$ -	$ -	$21,010,380	$21,715,917	($705,537)	$21,010,380	0.14%	0.15%
Trust account for the benefit of ADP Indemnity, Inc.	670,076,726	-	-	-	670,076,726	529,956,382	140,120,345	670,076,726	4.55%	4.92%
Total	$691,087,107	$ -	$ -	$ -	$691,087,107	$551,672,299	$139,414,808	$691,087,107	4.69%	5.08%

3. Detail of Other Restricted Assets

Not Applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
Schedule DL, Part 1	$ 101,040,607	$ 101,040,607	0.72%	0.79%
Total Collateral Assets	$ 101,040,607	$ 101,040,607	0.72%	0.79%

* Column 1 divided by Asset Page, Line 26 (Column 1)
** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities*
Recognized Obligation to Return Collateral Asset	$ 101,040,607	1.00%

* Column 1 divided by Liability Page, Line 26 (Column 1)

M. *Working Capital Finance Investments*

Not Applicable

N. *Offsetting and Netting of Assets and Liabilities*

Not Applicable

O. *Structured Notes*

Not Applicable

P. *5* Securities*

Not Applicable

14.4

Notes to Financial Statements

Q. *Short Sales*

Not Applicable

R. *Prepayment Penalty and Acceleration Fees*

	General Account	Protected Cell
(1) Number of CUSIPs	174	0
(2) Aggregate Amount of Investment Income	$ 10,318,598	$ -

6. *Joint Ventures, Partnerships and Limited Liability Companies*

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. Company did not recognize any impairment write down for the investments in Joint Ventures, Partnerships and Limited Liability Companies, either individually or in groups.

7. *Investment Income*

A. Investment income due and accrued is aged and reviewed to determine the feasibility of collecting overdue payments. Amounts deemed uncollectible are written off through the income statement and the Company ceases accruing interest income.

B. All investment income due and accrued excludes securities in default.

8. *Derivative Instruments*

Not Applicable

14.5

Annual Statement for the Year 2017 of the ACE American Insurance Company

Notes to Financial Statements

9. *Income Taxes*

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ 397,861,450	$ 34,814,788	$ 432,676,238	$ 565,071,935	$ 49,398,474	$ 614,470,409	$ (167,210,485)	$ (14,583,686)	$ (181,794,171)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Asets (1a-1b)	397,861,450	34,814,788	432,676,238	565,071,935	49,398,474	614,470,409	(167,210,485)	(14,583,686)	(181,794,171)
(d) Deferred Tax Assets Nonadmitted	242,648,081	4,178,454	246,826,535	333,335,017	13,586,358	346,921,375	(90,686,936)	(9,407,904)	(100,094,840)
(e) Subtotal - Net Deferred Admitted Tax Asset (1c-1d)	155,213,369	30,636,334	185,849,703	231,736,918	35,812,116	267,549,034	(76,523,549)	(5,175,782)	(81,699,331)
(f) Deferred Tax Liabilities	25,346,845	30,636,334	55,983,179	46,844,209	35,812,116	82,656,325	(21,497,364)	(5,175,782)	(26,673,146)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	$ 129,866,524	$ -	$ 129,866,524	$ 184,892,709	$ -	$ 184,892,709	$ (55,026,185)	$ -	$ (55,026,185)

2.

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid in Prior Years Recoverable through Loss Carrybacks	$ 103,976,003	$ -	$ 103,976,003	$ 158,543,180	$ -	$ 158,543,180	$ (54,567,177)	$ -	$ (54,567,177)
(b) Adjusted Gross Defered Tax Assets Expected to be Realized (Excluding the amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below	25,890,522	-	25,890,522	26,349,529	-	26,349,529	(459,007)	-	(459,007)
(1) Adjusted Gross Deferred Tax Asets Expected to be Realized Following the Balance Sh	25,890,522	-	25,890,522	26,349,529	-	26,349,529	(459,007)	-	(459,007)
(2) Adjusted Gross Deferred Tax Assets allowed per Limitation Threshold	xxxxx	xxxxx	334,576,024	xxxx	xxxx	361,280,782	xxxx	xxxx	(26,704,758)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	25,346,845	30,636,334	55,983,179	46,844,209	35,812,116	82,656,325	(21,497,364)	(5,175,782)	(26,673,146)
(d) Deferred Tax Assets Admitted of the result of Application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 155,213,370	$ 30,636,334	$ 185,849,704	$ 231,736,918	$ 35,812,116	$ 267,549,034	$ (76,523,548)	$ (5,175,782)	$ (81,699,330)

The reporting entity has not elected to admit DTA's pursuant to SSAP 101.

3.

	2017	2016
Ratio Percentage used to Determine Recovery Period and Threshold Limitation Amount	15%	15%
Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) Above	$ 2,230,506,829	$ 2,408,538,547

4.

	12/31/2017		12/31/2016		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	$ 397,861,450	$ 34,814,788	$ 565,071,935	$ 49,398,474	$ (167,210,485)	$ (14,583,686)
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To the Impact of Tax Planning Strategies	-	-	-	-	-	-
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1 (e)	155,213,369	30,636,334	231,736,918	35,812,116	(76,523,549)	(5,175,782)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax character Admitted Because of The Impact Of Tax Planning Strategies	-	-	-	-	-	-

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ______ No X ______

B. The Company does not have any material deferred tax liabilities that have not been recognized.

14.6

Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2017	(2) 12/31/2016	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 45,020,079	$ 103,399,921	$ (58,379,842)
(b) Foreign	8,416,902.00	1,070,701.00	$ 7,346,201
(c) Subtotal	53,436,981	104,470,622	(51,033,641)
(d) Federal Income tax on net capital gains	11,314,989	1,840,000	9,474,989
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	$ 64,751,970	$ 106,310,622	$ (41,558,652)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 30,992,027	$ 69,158,600	$ (38,166,573)
(2) Unearned premium reserve	33,517,630	83,105,706	(49,588,076)
(3) Policyholder Reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder Dividends accrual	-	-	-
(7) Fixed Assets	(47,973,039)	(54,570,375)	6,597,336
(8) Compensation and benefits accrual	177,971,997	-	177,971,997
(9) Pension Accrual	-	-	-
(10) Receivables - nonadmitted	185,410,496	280,858,790	(95,448,294)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other	17,942,339	186,519,214	(168,576,875)
(99) Subtotal	397,861,450	565,071,935	(167,210,485)
(b) Statutory valuation alowance adjustment	-	-	-
(c) Nonadmitted	242,648,081	333,335,017	(90,686,936)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 155,213,369	$ 231,736,918	$ (76,523,549)
(e) Capital			
(1) Investments	$ 33,853,696	$ 49,605,593	$ (15,751,897)
(2) Net capital loss carryforward	-	-	-
(3) Real Estate	-	-	-
(4) Unrealized capuital loss	-	-	-
(5) Other	961,092	(207,119)	1,168,211
(99) Subtotal	34,814,788	49,398,474	(14,583,686)
(f) Statutory valuation alowance adjustment	-	-	-
(g) Nonadmitted	4,178,454	13,586,358	(9,407,904)
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	30,636,334	35,812,116	(5,175,782)
(i) Admitted deferred tax assets (2d + 2h)	$ 185,849,703	$ 267,549,034	$ (81,699,331)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	$ 23,960,635	$ 39,035,009	$ (15,074,374)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	842,940	6,800,500	-
(5) Salvage and subrogation	543,270	1,008,700	(465,430)
(6) Other	-	-	-
(99) Subtotal	25,346,845	46,844,209	(21,497,364)
(b) Capital			
(1) Investments	382,144	623,200	(241,056)
(2) Real Estate	-	-	-
(3) Unrealized Capital Gains	30,254,190	35,188,916	(4,934,726)
(4) Other	-	-	-
(99) Subtotal	30,636,334	35,812,116	(5,175,782)
(c) Deferred tax liabilities (3a99 + 3b99)	55,983,179	82,656,325	(26,673,146)
4. Net deferred tax assets/(liabilities) (2i - 3c)	$ 129,866,524	$ 184,892,709	$ (55,026,185)

Change in Net Deferred Income Taxes:	12/31/2017	12/31/2016	Change
Total DTA (admitted and nonadmitted)	$ 432,676,238	$ 614,470,410	$ (181,794,172)
Total DTL	(55,983,179)	(82,656,326)	26,673,147
Net DTA (admitted and nonadmitted)	$ 376,693,059	$ 531,814,084	$ (155,121,025)

Unrealized (Gains)/Losses Tax (Expense)/Benefit	
Tax Effect/Translation Adjustment	2,089,286
US Tax Reform Impact - Tax (Expense)/Benefit	18,267,570
Current Period Tax (Expense)/ Benefit	(15,234,736)
Change in Net Deferred Income Taxes	(160,243,145)

Notes to Financial Statements

On December 22, 2017, the U.S government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act ("US Tax Reform"). US Tax Reform makes broad and complex changes to the U.S. tax code that affect 2017, including, but not limited to the reduction of the U.S. federal corporate tax rate from 35 percent to 21 percent. As shown in Note 9C, the Company has recorded tax on net unrealized gains/losses, if any, to reflect the revaluation of deferred taxes resulting from the change in tax rates from 35% to 21%. In addition, as shown in Note 9D, the Company has recorded a change in net deferred income tax associated with the revaluation of deferred taxes (other than taxes on net unrealized gains/losses) resulting from the change in tax rates from 35% to 21%. These amounts have been recorded on a provisional basis, consistent with Staff Accounting Bulletin No. 118 (SAB 118) and SSAP No. 101.

D. Among the more significant book to tax adjustments were the following:

	(1) 12/31/2017	(2) Effective Tax Rate
(a) Statutory tax expense at federal tax rate of 35%	$ 163,019,574	35.0%
(b) Tax-exempt interest income (including proration)	(8,715,899)	(1.9%)
(c) Dividends received deduction (including proration)	(1,022,388)	(0.2%)
(d) Non-deductible meals & entertainment expenses	650,067	0.1%
(e) Non-deductible lobbying expenses	1,392,003	0.3%
(f) Non-deductible fines & penalties	71,458	0.0%
(g) §162(m) compensation adjustment	958,917	0.2%
(h) FAS 123 stock options	(22,476,792)	(4.8%)
(i) COLI	(36,970,381)	(7.9%)
(j) Prior years' tax adjustments	(4,785,603)	(1.0%)
(k) Change in non-admitted assets	(28,158,704)	(6.0%)
(l) Intercompany dividend exclusion	(110,250,000)	(23.7%)
(m) Change in net deferred income tax related to US Tax Reform	269,396,275	57.8%
(n) Other	1,886,588	0.4%
Subtotal	61,975,541	13.3%
Total statutory tax expense	$ 224,995,115	48.3%
(l) Current income tax expense	$ 64,751,970	13.9%
(m) Change in net deferred income taxes	160,243,145	34.4%
	$ 224,995,115	48.3%

E. *The Company's Net Operating Loss Carryforwards & Income Tax Recoupment at December 31, 2017 are as follows:*

Net operating loss carryforward expiring through the year 2036 of:	$	-
Capital loss carryforwards expiring through the year 2021 of:	$	-
AMT credit carryforwards which does not expire in the amount of:	$	-
Deposits admitted under IRC §6603 in the amount of:	$	-

The following is income tax expense for 2016 and 2017 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2016	$ 65,334,770	$ 7,873,492	$ 73,208,262
2017	95,586,664	4,498,411	100,085,075
Total	$ 160,921,434	$ 12,371,903	$ 173,293,337

F. Consolidated Federal Income Tax Return and Tax Sharing Agreement:

1. Effective January 1, 2017, The Company's Federal Income Tax return is consolidated with the following entities:

1250 Diehl Corp.
1717 Naperville Corp.
ACE American Insurance Company
ACE Fire Underwriters Insurance Company
ACE INA Overseas Insurance Company Ltd.
ACE Insurance Company of the Midwest
ACE Life Insurance Company
ACE Property and Casualty Insurance Company
AFIA (Chubb) Corporation Limited
Chubb Services Corporation
Chubb Structured Products Inc.
Chubb US Holdings, Inc.
Combined Insurance Company of America
Combined Life Insurance Company of New York
Conference Facilities, Inc.
Cover Direct, Inc.
Cravens Dargan & Company, Pacific Coast
DHC Corporation

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Notes to Financial Statements

AFIA (INA) Corporation, Limited
AFIA Finance Corporation
Agri General Insurance Company
Agri General Insurance Service, Inc.
Ally Insurance Holdings, LLC
American Lenders Facilities, Inc.
Atlantic Employers Insurance Company
Bankers Standard Insurance Company
Bellemead Development Corporation
Bellemead Marina Del Rey Corporation
Brandywine Holdings Corporation
Century Indemnity Company
Century International Reinsurance Company Ltd.
Chubb & Son Inc.
Chubb Alternative Risk Solutions Inc.
Chubb Asset Management Inc.
Chubb Atlantic Indemnity Ltd.
Chubb Brazil Holdings, Ltd.
Chubb Canada Holdings Inc.
Chubb Computer Services, Inc.
Chubb Custom Insurance Company
Chubb Custom Market Inc.
Chubb Executive Risk Inc.
Chubb Financial Solutions (Bermuda) Ltd.
Chubb Financial Solutions, Inc.
Chubb Global Financial Services Corporation
Chubb Excess & Surplus Insurance Services, Inc.
Chubb INA Excess & Surplus Insurance Services, Inc.
Chubb INA Financial Institution Solutions Inc.
Chubb INA G.B. Holdings Ltd.
Chubb INA Holdings Inc.
Chubb INA International Holdings Ltd.
Chubb INA Overseas Holdings Inc.
Chubb INA Properties Inc.
Chubb Indemnity Insurance Company
Chubb Insurance Company of New Jersey
Chubb Insurance Solutions Agency, Inc.
Chubb International Management Corporation
Chubb Investment Holdings Inc.
Chubb Lloyds Insurance Company of Texas
Chubb Multinational Manager, Inc.
Chubb National Insurance Company
Chubb Re, Inc.
Chubb Seguros Mexico Holdings, Inc.
Chubb Seguros Holdings Chile, Inc.
ESIS, Inc.
Executive Risk Indemnity Inc.
Executive Risk Specialty Insurance Company
Federal Insurance Company
Great Northern Insurance Company
Halifax Plantation Golf, Inc.
Halifax Plantation Golf Management, Inc.
Halifax Plantation Realty, Inc.
Halifax Plantation, Inc.
Harbor Island Indemnity Ltd.
Illinois Union Insurance Company
INA Corporation
INA Financial Corporation
INA Holdings Corporation
INA Tax Benefits Reporting, Inc.
INAMAR Insurance Underwriting Agency, Inc.
INAMAR Insurance Underwriting Agency, Inc. of Texas
Indemnity Insurance Company of North America
Insurance Company of North America
NewMarkets Insurance Agency, Inc.
Pacific Employers Insurance Company
Pacific Indemnity Company
Pembroke Reinsurance, Inc.
Penn Millers Agency, Inc.
Penn Millers Holding Corporation
Penn Millers Insurance Company
PMMHC Corporation
Proclaim America, Inc.
Rain and Hail Financial, Inc.
Rain and Hail Insurance Service International, Inc.
Rain and Hail Insurance Service, Inc.
Recovery Services International, Inc.
Sullivan Kelly, Inc.
Texas Pacific Indemnity Company
Transit Air Services, Inc.
Vigilant Insurance Company
Westchester Fire Insurance Company
Westchester Specialty Insurance Services, Inc.
Westchester Surplus Lines Insurance Company

2. The direct and indirect subsidiaries of Chubb Group Holdings, Inc. including the Company are included in a U.S. consolidated federal income tax return for the period January 1, 2017 through December 31, 2017. Company's tax sharing allocation agreement provides that any subsidiary having taxable income will pay a tax liability equivalent to what that subsidiary would have paid if it had filed a separate federal income tax return for the year. If the separately calculated federal income tax return for any subsidiary results in a tax loss, the current tax benefit resulting from such loss, to the extent utilizable on a separate return basis, will be paid to that subsidiary.

G. *Supplemental Information*

The 2007 and prior "Total Net Losses and Expenses Unpaid" (Schedule P Part 1, Column 24, Line 1) is separately reported by accident year as follows (in thousands):

	Accident Years					
Schedule P	2007	2006	2005	2004	2003	Prior
Part 1A	91	222	525	1,167	1,101	3,016
Part 1B	0	0	0	0	0	2,003
Part 1C	1,036	667	469	594	81	3,080
Part 1D	49,815	58,861	4,239	2,257	145	62,600
Part 1E	0	0	0	1,905	0	12,916
Part 1F-Section 1	177	3	111	78	0	0
Part 1F-Section 2	542	0	0	0	0	39
Part 1G	219	488	45	244	0	-1
Part 1H-Section 1	23,595	27,369	11,156	14,239	1,833	43,338
Part 1H-Section 2	0	10,155	0	0	0	-1
Part M	0	0	0	0	0	2,261
Part N	0	0	0	0	0	1,148
Part O	2,963	1,784	1,637	1,595	0	218,817
Part P	0	92	62	231	325	699
Part 1R-Section 1	0	1,435	2,278	659	188	4,655
Part 1R-Section 2	117	0	0	0	0	2,452

10. *Information Concerning Parent, Subsidiaries, and Affiliates*

The affiliated transactions of the following U.S. insurers, which are either owned or controlled by or otherwise affiliated with Chubb Limited, and domiciled in Pennsylvania, are reported hereunder:

1. ACE American
2. ACE Fire Underwriters Insurance Company ("ACE Fire")
3. ACE Property and Casualty Insurance Company ("ACE P&C")
4. Bankers Standard Insurance Company ("BSIC")
5. Century Indemnity Company ("Century Indemnity")
6. Indemnity Insurance Company of North America ("Indemnity")
7. Insurance Company of North America ("INA")
8. Pacific Employers Insurance Company ("PEIC")
9. Penn Millers Insurance Company ("Penn Millers")
10. Westchester Fire Insurance Company ("WFIC")

A. The Company is indirectly owned by Chubb Limited; see Schedule Y, Part 1 for full particulars. See Note 21C, for information regarding the Chubb acquisition.

B.&C. The Company had no 2017 non-insurance transactions that involved more than ½ of 1% of the total admitted assets, except as shown in Note 10D below.